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HOUSE BILL 98

43RD LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 1998

INTRODUCED BY

DANICE PICRAUX

AN ACT

RELATING TO TAXATION; AMENDING A SECTION OF THE INCOME TAX ACT
TO REFORMULATE AND INDEX THE EXEMPTION FOR PERSONS WHO ARE
SIXTY-FIVE YEARS OF AGE AND OLDER OR BLIND.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

Section 1. Section 7-2-5.2 NMSA 1978 (being Laws 1985,
Chapter 114, Section 1, as amended) is amended to read:

"7-2-5.2. EXEMPTION--INCOME OF PERSONS SIXTY-FIVE AND
OLDER OR BLIND. --

A. For taxable years beginning on or after January
1, 1998, any individual sixty-five years of age or older or
who, for federal income tax purposes, is blind may claim an
exemption in an amount specified in [~~Subsections A through C~~
~~of this section~~] Paragraphs (1) and (2) of this subsection not
to exceed eight thousand dollars (\$8,000) of income includable

Underscored material = new
[bracketed material] = delete

1 except for this exemption in net income. Individuals having
2 income both within and without this state shall apportion this
3 exemption in accordance with regulations of the secretary.

4 ~~[A. For married individuals filing separate~~
5 ~~returns, for any taxable year beginning on or after January 1,~~
6 ~~1987:-~~

	The maximum amount of
7	If adjusted
8	exemption allowable under
9	gross income is:
10	this section shall be:
10	Not over \$15,000 \$8,000
11	Over \$15,000 but not over \$16,500 \$7,000
12	Over \$16,500 but not over \$18,000 \$6,000
13	Over \$18,000 but not over \$19,500 \$5,000
14	Over \$19,500 but not over \$21,000 \$4,000
15	Over \$21,000 but not over \$22,500 \$3,000
16	Over \$22,500 but not over \$24,000 \$2,000
17	Over \$24,000 but not over \$25,500 \$1,000
18	Over \$25,500 0.

19 ~~B. For heads of household, surviving spouses and~~
20 ~~married individuals filing joint returns, for any taxable year~~
21 ~~beginning on or after January 1, 1987:-~~

	The maximum amount of
22	If adjusted
23	exemption allowable under
24	gross income is:
25	this section shall be:
25	Not over \$30,000 \$8,000

Underscored material = new
[bracketed material] = delete

1 (a) eight thousand dollars (\$8,000) for
2 those taxpayers whose adjusted gross income is equal to or
3 less than the base amount; and

4 (b) an amount equal to eight thousand
5 dollars (\$8,000) less two-thirds of the difference between the
6 taxpayer's adjusted gross income and the base amount; provided
7 that, if the calculation results in a negative number, the
8 amount shall be zero.

9 (2) For heads of households, surviving
10 spouses and married individuals filing joint returns, the
11 exemption amount allowable under this section is:

12 (a) eight thousand dollars (\$8,000) for
13 those taxpayers whose adjusted gross income is equal to or
14 less than the base amount; and

15 (b) an amount equal to eight thousand
16 dollars (\$8,000) less one-third of the difference between the
17 taxpayer's adjusted gross income and the base amount; provided
18 that, if the calculation results in a negative number, the
19 amount shall be zero.

20 B. For taxable years beginning in calendar years
21 1998 and 1999, the base amount for single individuals is
22 eighteen thousand dollars (\$18,000); for married individuals
23 filing separate returns, fifteen thousand dollars (\$15,000);
24 and for heads of households, surviving spouses and married
25 individuals filing jointly, thirty thousand dollars (\$30,000).

Underscored material = new
[bracketed material] = delete

1 For taxable years beginning in calendar years after 1999, the
2 base amount shall be multiplied by a fraction, the numerator
3 of which is the consumer price index for all urban consumers
4 published by the United States department of labor for the
5 twelve-month period ending in August of the preceding calendar
6 year and the denominator of which is the consumer price index
7 for all urban consumers for the twelve-month period ending in
8 August 1998; provided that the value of the fraction shall
9 never be less than one.

10 C. Exemption amounts shall be rounded down to the
11 nearest twenty-five dollars (\$25.00) for married persons
12 filing separately and to the nearest fifty dollars (\$50.00)
13 for all other filers."